

NEWS RELEASE

**OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF ILLINOIS**

**RONALD J. TENPAS
UNITED STATES ATTORNEY**

Nine Executive Drive, Fairview Heights, Illinois 62208, Telephone (618) 628-3700

For Immediate Release

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Ronald J. Tenpas, United States Attorney for the Southern District of Illinois, announced today that on August 26, 2005, **KELVIN ELLIS**, age 55, of East St. Louis, Illinois, entered a plea of guilty to Count One of an indictment which charged violations of Title 26, United States Code, Section 7201, Tax Evasion. The maximum penalty that can be imposed for Tax Evasion is five (5) years' imprisonment or a \$250,000 fine, or both, and up to three (3) years' supervised release. Sentencing is scheduled for November 30, 2005.

ELLIS was indicted by a federal grand jury on January 20, 2005. According to a Stipulation of Facts filed at the time of the guilty plea, **ELLIS** was employed as the Director of Regulatory Affairs for the City of East St. Louis, Illinois. While employed by the City of East St. Louis, **ELLIS** also worked as an independent consultant, advising local businesses in the area of public grants. During the years 2001, 2002, and 2003, **ELLIS** had other sources of income as well. For the tax year 2001, **ELLIS** filed a United States Individual Income Tax Return, Form 1040, with the Internal Revenue Service wherein he failed to report income from his consulting work, along with other income. For the tax years 2002 and 2003, **ELLIS** failed to file United States Individual Income Tax Returns, Forms 1040, with the Internal Revenue Service, even though he earned income during those years from the City of East St. Louis, his consulting work, and other sources. **ELLIS** acknowledged that for the years 2001, 2002, and 2003 he knowingly and willfully failed to report all of his income to the Internal Revenue Service in order to evade United States tax filing requirements.

The successful prosecution was a result of an investigation conducted by the Internal Revenue Service, Criminal Investigation Division; the Federal Bureau of Investigation; the United States Postal Inspection Service, Criminal Investigations, and the Illinois State Police. The case is being handled by Hal Goldsmith, Assistant United States Attorney.